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1 UNITED STATES BANKRUPTCY COURT

2 SOUTHERN DISTRICT OF NEW YORK

3 Case No. 22-10964-mg

4 Adv. Case No. 23-01138-mg

5 - - - - - x

6 In the Matter of:

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8 CELSIUS NETWORK LLC,

9

10 Debtor.

11 - - - - - x

12 CELSIUS NETWORK LIMITED,

13 Plaintiff,

14 v.

15 STAKEHOUND SA,

16 Defendants.

17 - - - - - x

18 United States Bankruptcy Court

19 One Bowling Green

20 New York, NY 10004

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22 August 7, 2023

23 1:59 PM

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1 HEARING re Adversary proceeding: 23-01138-mg Celsius Network
2 Limited v. StakeHound SA
3 Hybrid Hearing RE: Plaintiff Celsius Network Limiteds Motion
4 for an Order Authorizing Alternative Service on
5 Defendant StakeHound SA Pursuant to Federal Rule of Civil
6 Procedure 4(f) (3). (Doc## 9, 10, 13, 15 to 20)

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25 Transcribed by: Sonya Ledanski Hyde

1 A P P E A R A N C E S :

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3 AKIN GUMP STRAUSS HAUER FELD, LLP

4 Attorneys for the Plaintiff Celsius Network Limited

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6 New York, NY 10036

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8 BY: MITCHELL HURLEY

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10 LOCKE LORD LLP

11 Attorneys for Defendant, StakeHound SA

12 Brookfield Place, 200 Vesey Street, 20th Floor

13 New York, NY 10281

14

15 BY: MARY STEPHANIE WICKOUSKI

16

17 ALSO PRESENT TELEPHONICALLY:

18 ANDREA AMULIC

19 DEAN CHAPMAN

20 AARON COLODNY

21 SEAN ANDREW FEENER

22 SAMUEL P. HERSHY

23 NICHOLAS LOMBARDI

24 GREGORY F. PESCE

25 ELIZABETH SCOTT

1 DAVID TURETSKY
2 KEITH WOFFORD
3 CHRISTOPHER COCO
4 THOMAS DIFIORE
5 SCOTT DUFFY
6 DREW DUFFY
7 UDAY GORREPATI
8 MIRA HAQQANI
9 TAYLOR HARRISON
10 KEITH NOYES
11 MASON PALISSERY
12 MARK ROBINSON
13 CAROLINE WARREN
14 ANDREW YOON
15 KAILA ZAHARIS
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1 P R O C E E D I N G S

2 CLERK: All rise.

3 AUTOMATED VOICE: Recording in progress.

4 THE COURT: Please be seated. All right. Good
5 afternoon. Let me just say preliminarily that my law clerk,
6 Dan Slemmer, is here. He's not working on this matter.
7 He's going to working, after he completes his clerkship,
8 with Akin Gump so he is not had anything to do with this.
9 My other two clerks are not here today so he's banging on
10 the door and then sitting there but he has not worked --
11 will not work on the matter.

12 All right. So I have the two letters, Ms.
13 Wickouski, your letter and Mr. Hurley's letter a little
14 while ago in response. Mr. Hurley, why don't you first tell
15 you where you see things are at this point. This is your
16 case.

17 MR. HURLEY: Good afternoon, Your Honor. Mitch
18 Hurley with the Akin Gump special litigation counsel for
19 Celsius.

20 Really just as we laid out in the letter, Your
21 Honor, we agree that it's going to make sense for the
22 parties to meet and confer over an appropriate schedule,
23 including with respect to things like briefing, exactly
24 what's going to be briefed, when the hearing is going to be,
25 the nature of the hearing itself. We have reached an

1 impasse as Your Honor can see with respect to certain other
2 matters, including things like the notion that, you know,
3 there would be declarations submitted in support of the
4 motion of no evidence at the actual hearing which I
5 understand -- to me, meant the declarations can be submitted
6 at the hearing. There wouldn't be cross.

7 THE COURT: Well, let me just -- let me say, my
8 procedure is, declarations for direct live cross-
9 examination.

10 MR. HURLEY: Right. And --

11 THE COURT: In other words (indiscernible), if --
12 Ms. Wickouski, if your clients are outside the United
13 States, you would confer with Mr. Hurley and I would
14 consider having testify over Zoom rather than having them
15 travel to the United States, but they'd be subject to cross-
16 examination. That's the procedure that was actually
17 followed the adversary proceeding that you handling where we
18 had three witnesses, two here and one from Israel.

19 MS. WICKOUSKI: Thank you, Your Honor.

20 (indiscernible)

21 THE COURT: But there would be cross -- they would
22 available for -- it doesn't -- maybe you won't want to
23 cross-examine, but they have to be available for cross-
24 examination.

25 MS. WICKOUSKI: Yes (indiscernible).

1 MR. HURLEY: There are other proposed restrictions
2 on steps that Celsius would certainly take to protect its
3 rights in the event service were completed in the ordinary
4 course. A variety of other things that have gotten the way
5 of us reaching agreement today. It doesn't mean it's
6 impossible. I agree. It doesn't mean it's impossible. We
7 have, however, Your Honor -- last week, we talked about
8 exigency, especially related to the arbitration in
9 Switzerland, and we would submit that exigency has gotten
10 that much more exigent since we were last here because in
11 fact the day after we were here, the Swiss arbitration
12 center appointed an arbitrator which means that Celsius is
13 going to be faced with that Hobson's choice in the very near
14 term.

15 THE COURT: Let me address that. Even before I
16 saw your letter, Mr. Hurley, that indicated that an
17 arbitrator had been selected so it appeared to be soon but
18 it was not -- I wrote a note to myself that I think that one
19 of the conditions would have to be a joint letter from the
20 two of you to the arbitrator or the arbitration center
21 indicating that -- requesting a delay in moving forward with
22 the arbitration and indicating that a proceeding is ongoing
23 in the bankruptcy court in the Southern District and
24 indicated that it would be -- the parties expect that it
25 will be handled expeditiously. But, Ms. Wickouski, I want

1 to be crystal clear.

2 MS. WICKOUSKI: Your Honor, we would unilaterally
3 agree to that regardless of the outcome of the -- of Your
4 Honor's ruling today on alternative of service. I think
5 that that actually satisfies the exigency issue but we
6 (indiscernible) our representation regardless of --

7 THE COURT: Okay. But I understand you've made
8 the representation, but I want a joint letter. We'll see
9 how the -- where this ends up today. But I would want a
10 joint letter to the arbitration center, essentially, laying
11 that out. I mean, it -- I indicated at the last hearing
12 that I viewed the arbitration as satisfying the exigent
13 circumstances that would be required for the Court to
14 exercise rule 4(f)(3). This is just heightens that point.

15 MR. HURLEY: In terms of letter, Your Honor, I
16 think the devil's really in the details. What have been
17 proposed so far by StakeHound is a letter asking the
18 arbitrator effectively to adjourn the conference until
19 September 15th. We had made a proposal that I think is --
20 sounds materially identical to what Your Honor just
21 identified. We made a proposal this morning in our markup
22 that we sent back to StakeHound. You know, obviously, there
23 was some delay. I'm not laying it at anyone's feet. But we
24 provided that proposal in the last few hours so we haven't
25 seen a specific response to that proposal.

1 But I would certainly hope that we would be able
2 to work out instructions that make sense to both sides so
3 that Celsius doesn't have any concerns that even its
4 instructions, for instance, might be taken as participating
5 or indicating --

6 THE COURT: Well, you could put an appropriate
7 disclaimer and -- in that -- in the letter that by
8 responding. I just -- it just -- when I saw that an
9 arbitrator had appointed, it heightened the concern that I
10 expressed that the last hearing. That's the exigent
11 circumstance. Let me leave it at that.

12 I think -- you know, the other thing, Mr. Hurley,
13 you know, no two cases are the same, but it took you a while
14 to be able to work out the details of the arrangements with
15 Stone. I wouldn't expect that, you know, you got a draft.
16 You sent back a draft. I'm fine with the notion that that
17 may take a week or something like that to work out those
18 details, and I just use that as kind of a rough idea if
19 you've working diligently to try and resolve it. I didn't
20 see -- frankly, when I reviewed the two letters, it didn't
21 seem to me that anything was a show stopper, that both of
22 you proceeding in good faith were more likely than not to be
23 able to work out those important details. They are
24 important. And it's something that -- you know, I think
25 Celsius is entitled to some assurance that this isn't going

1 to get dragged out for weeks and in the meantime, assets are
2 dissipated, okay.

3 But, again, you know, to say that nothing appeared
4 to be a show stopper doesn't mean you'll be able to
5 successfully reach an agreement on it, but it looked to me
6 that you're both sort of operating in the range of -- what I
7 would consider, range of reasonableness. So, yeah, you'll
8 negotiate hard. You'll ultimately be able to work out those
9 details.

10 MR. HURLEY: I think you're generally correct
11 about nothing being a show stopper, Your Honor. What I
12 think as one of the major issues that's separated us so far
13 is something I mentioned at the last hearing, which is that
14 Celsius has its own motion practice that it thinks is very
15 important to bring before Your Honor in a reasonable time
16 frame. That doesn't mean we couldn't negotiate the
17 specifics about how that would be (indiscernible).

18 THE COURT: What's the motion practice that you
19 would bring?

20 MR. HURLEY: So it is with respect to preservation
21 of assets while the case is ongoing and having an
22 opportunity to present to Your Honor what we think would be
23 evidence that could persuade and get you over the hump with
24 respect to the issue that was clearly troubling you at the
25 last hearing. We think we can do that. We want to --

1 THE COURT: Just so we're clear on the record.

2 What issue do you think that was bothering me last time?

3 MR. HURLEY: Well, there may have been more than
4 one. But the one that I heard you focused on, Your Honor,
5 was whether there was evidence that there's any imminent
6 threat that substantial assets were going to be dissipated
7 by StakeHound in the -- I guess -- in the near future. That
8 was what I heard Your Honor sort of balking on.

9 There may be other issues and obviously in a
10 motion like that, there are many complex issues that you
11 have to get into and we think we have good support on our
12 favor on all of them, but that was the issue that I had sort
13 of heard Your Honor focused on. But if I had been mistaken,
14 obviously, I'd welcome any clarification.

15 And so, you know, again, I'd be happy to discuss
16 with the other said ways to do this that makes sense in
17 terms of timing, maybe in terms of sequencing, having a
18 negotiation. That would perfectly make sense. We just
19 haven't gotten there yet. Provided that as you said Celsius
20 has assurance that we have some more time to try to get
21 there and that there won't be dissipation while that
22 (indiscernible) is being undertaken, it certainly would be
23 acceptable to Celsius to continue that work.

24 I think it would be helpful and actually it
25 started -- had understood the first time I read StakeHound's

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1 letter, the sort of second half of it, it actually struck me
2 that StakeHound was saying the hearing today was mooted
3 because we accept service. I don't think that's actually
4 the case and we had a conversation with counsel before this
5 hearing started. It's really we accept service on the
6 following condition -- the conditions that identified in the
7 letter and those aren't acceptable to us.

8 I think it would be helpful if service could
9 simply be effective at this point, either because they
10 accept it or because the motion is granted. Celsius will
11 absolutely negotiate in good faith even if that were to
12 occur to try to come up with a schedule that makes sense,
13 not just to us but to Your Honor, because of course you're
14 going to have a chance to review it and weigh in on whether
15 you think the proposal is sensible.

16 So our submission would be that would be helpful
17 and it would move things forward and it certainly would not
18 slow down Celsius' interest in and willingness to engage on
19 what the schedule should be and how it should look which
20 ultimately Your Honor will have to decide --

21 THE COURT: Okay. Well, let me hear from Ms.
22 Wickouski.

23 MS. WICKOUSKI: Your Honor, I think that our --
24 and I know the Court doesn't prefer a trial by letters and
25 apologies for that. We've on the verge of a hearing with a

1 short time frame and I felt it was important to
2 (indiscernible) the Court what we had done and what our
3 position was and what we're willing to do. And I think -- I
4 haven't had -- because I read it on my iPhone -- quite the
5 chance to process Mr. Hurley's letter, but, say, as a
6 threshold matter, it's Mr. Hurley's motion. If he wants to
7 request a ruling on the motion, I have no issue with that.
8 The Court obviously can decide.

9 With the additional fact that I think what I've
10 heard the Court say at the hearing last week was that the
11 exigent circumstance was the prospect that the arbitration
12 move forward to even the point of expenditure of resources
13 or a judgment that would really create real harm because of
14 the, if you will, punitive violation of the automatic stay.

15 I spoke to our client about that and they are
16 willing, unilaterally, regardless of the Court's ruling
17 today -- regardless of whether we have an agreement with
18 Celsius -- they are willing to propose a standstill at least
19 until the Court can consider our motion to compel
20 arbitration. And offer stands if it's -- if it should be a
21 joint letter, and I understand the need for a joint letter
22 because I respect the fact that Celsius needs to preserve
23 its jurisdiction arguments in Switzerland the same way we
24 want to preserve our arguments and defenses in this court.
25 So we would certainly work with them on a joint letter.

1 THE COURT: Let me cut through this, okay. The
2 preferred course from my standpoint would be that you tell
3 me that you're authorized to accept service on the summons
4 and complaint by email, which is what was proposed in the
5 letter and that Mr. Hurley effect that service today. And
6 then the two of you -- these are important points that are
7 raised in these letters. I don't doubt any of that -- that
8 you continue to try and iron out those details and you agree
9 on a motion briefing schedule on your motion to compel
10 arbitration.

11 I think that motion should -- I am concerned about
12 what the timing of Celsius having to proceed -- in other
13 words, if I were to lift the stay, permit you -- and compel
14 arbitration, this scheduling of that is of some concern for
15 me because the disclosure statement hearing is this week and
16 I've given Celsius's counsel the dates for confirmation
17 hearing assuming the disclosure statement is completed.
18 And, frankly, the notion of their having to prepare for and
19 push forward with an arbitration while -- you know, I think
20 the disclosure statement hearing is this week. The
21 confirmation dates are in early October. I don't remember
22 the precise dates at this point. I think you'd have to
23 discuss that.

24 So assuming that the Court were to lift the stay,
25 okay, and I do think -- I've suggested this last time and

1 it's addressed in both of your letters about what the
2 appropriate parameters -- I expressed concern about the
3 dissipation of assets in the meantime, particularly you told
4 me that it's not really operating other than this litigation
5 or -- I don't know whether it's the litigation or
6 arbitration in Israel and it's like there's ongoing ordinary
7 day-to-day business.

8 But while you obviously disagree, the two of you,
9 about exactly what that should be, I do think that -- it
10 struck me as more likely than not that with a week in
11 negotiations you'll work out those details -- you know
12 confer with your clients and all that.

13 The alternative is, if you leave today not
14 prepared to say that you're authorized to accept service, I
15 will rule on 4(f)(3) and I will tell Mr. Hurley that he can
16 bring on an urgent motion for a temporary restraining order
17 for violation of the automatic stay. You know, I laid it on
18 the table last time. I don't know whether you read more
19 than just the one MF Global opinion that I cited. It was
20 the sixth in a string of them, but if you read the first
21 five, you'd find out that it actually resulted in
22 substantial sanctions against the Bermuda insurer that
23 violated the automatic stay and violated the Barton Doctrine
24 before it got six opinions in to what it probably wanted
25 from the start was to compel arbitration.

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1 So we'll sequence this in order. If Mr. Hurley
2 wants to bring on on shortened notice an application to
3 enjoin StakeHound for proceeding with the arbitration, we'll
4 hear it this week, and if he wants to seek sanctions for
5 violating the automatic stay, he can ask for that as well.
6 And when I get finished in the next few week probably with
7 the TRO and then a preliminary injunction about it, then
8 maybe we'll get to any motion you want to make to compel
9 arbitration, but that's going to be the order.

10 And I don't do -- I don't say that to be punitive.
11 I mean, I think that -- I would much prefer that this
12 proceed in what I consider to be the ordinary fashion which
13 is, accept service, you negotiate these -- negotiate a
14 schedule, work out the details if you can't -- you know, if
15 there are couple of things that need to be ironed out on --
16 to make sure assets aren't dissipated, think you'll work
17 that out. If I have to, I'll do that.

18 But I'm not -- the suggestion that was in your
19 letter about putting this off. This is a status conference
20 and, you know, next week we'll come back and we'll consider
21 -- that isn't going to happen.

22 MS. WICKOUSKI: Understood.

23 THE COURT: So you're leaving today one way or the
24 other. You're either telling me you're authorized to accept
25 service and you'll get served today and I'll send you off

1 and you'll work out these other details. Otherwise, I'll
2 rule and if I rule alternative service under 4(f)(3), Mr.
3 Hurley can bring an emergency application for a TRO.
4 They'll be heard on very short notice and we'll have a
5 preliminary injunction hearing. At some point, you know,
6 you'll get to the issue of -- this is exactly what happened
7 in MF Global. It took them months before they finally
8 understood what this was all about, okay, and if you want to
9 go through that exercise, be my guest.

10 MS. WICKOUSKI: Your Honor, we are willing to not
11 oppose the acceptance of service.

12 THE COURT: Okay.

13 MS. WICKOUSKI: And we appreciate the Court's
14 willingness to consider a motion to compel arbitration and
15 also other motion with respect to threshold issues, and I
16 think this really should go in order. I mean --

17 THE COURT: What do you consider the threshold
18 issues that you're talking about?

19 MS. WICKOUSKI: Well, you know, the TRO is
20 interesting because it's a bit of a chicken and egg problem
21 because in order to defend the -- in order to
22 (indiscernible) the TRO request or defend it, it necessarily
23 involves a consideration of the merits and in arguments --

24 THE COURT: It doesn't. It doesn't. If you
25 violated the automatic stay -- if your client violated the

1 automatic stay, if I order alternative service under 4(f) (3)
2 -- if that's out of the way -- you know, I said it about as
3 close to definitely as possible last time. This is a
4 violation of the automatic stay.

5 MS. WICKOUSKI: Your Honor, I -- maybe I was -- I
6 misspoke. I was unclear. With respect to the automatic
7 stay, that was not what I -- I will concede that the Court
8 has the power, inherent power, *sua sponte*, to issue an order
9 enforcing the automatic stay regardless. I mean, you could
10 order that the Swiss arbitration is stayed.

11 THE COURT: I'm not going to do it without -- I
12 don't have papers in front me. I'm not doing it *sua sponte*,
13 okay, but it might be a day or, you know, two. I mean,
14 because I don't think it's going to take Akin very long to
15 make an emergency application for a TRO and put in an
16 affidavit that supports what (indiscernible) pretty obvious
17 from the pleadings from the first hearing we had.

18 MS. WICKOUSKI: We're willing -- I mean, our
19 client is offering -- regardless of the outcome of this
20 hearing, they are prepared unilaterally to stand still the
21 Swiss arbitration and to advise the arbitrator of that.
22 That's not the TRO that I am talking about and focusing on.
23 It's the -- Celsius's (indiscernible) demand that all assets
24 of StakeHound be shut down and frozen immediately. And I
25 think there's no -- you know, there's been no papers.

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1 There's been no showing of harm. They are able to monitor
2 the tokens. There's no evidence of any untoward activity
3 going on, and I'm also --

4 THE COURT: I'm not ready to grant that relief
5 without seeing any evidentiary showing that that relief is --
6 - and you'll have an opportunity to oppose it.

7 MR. HURLEY: Okay.

8 MS. WICKOUSKI: And --

9 THE COURT: That's where I think -- I mean, this
10 is what we went through with Stone and it took a -- you
11 know, it took a while to get to an agreement but they got
12 there, okay, and that's why I think you'll get to an
13 agreement.

14 MS. WICKOUSKI: Well, and that's all I'm asking
15 for. That's all we want. We want our day in court. This
16 has been completely proceeded with the testimony of counsel
17 that something bad is going on. We completely disagree with
18 that and we want out day in court, a chance to refute those
19 arguments.

20 THE COURT: I don't think they -- just tell you my
21 mindset. I don't believe they've made any creditable
22 showing at this point of dissipation of assets that would
23 justify an asset freeze. It doesn't say they can't make
24 that showing. I'm concerned that -- I think you told me
25 they have no real ongoing business. They've got this

1 arbitration or -- is it a litigation or arbitration in
2 Israel?

3 MS. WICKOUSKI: Well, it's a litigation and this
4 is important because the litigation really seeks to
5 preserves assets, ironically, assets that Celsius --

6 THE COURT: This is the Fireblocks managed to lose
7 the --

8 MS. WICKOUSKI: Yes. And so --

9 THE COURT: -- private key.

10 MS. WICKOUSKI: In everybody's -- think it's in
11 both Celsius and our client's interest to make sure that
12 that litigation is preserved. It's affirmative litigation.
13 Make sure that that goes forward and is not prejudiced in
14 any way. And one concern that we have is that -- I mean, we
15 want to make sure that we're not disclosing to the adverse
16 party. And I say adverse party, it's adverse both to
17 Celsius and to StakeHound that we're not disclosing our
18 litigation strategy by, you know reverse engineering they
19 can figure out by the breakdown in legal fees, the breakdown
20 in court costs, what's really going on and what we're
21 planning to do. And I think that's very important that in
22 these talks that proceed, we do so under an NDA or some
23 assurance of confidentiality with the Debtor, but I've no
24 reason to believe that they wouldn't agree to that, but I'm
25 just saying, we have to get that in place. And I would see

1 that being a subject of discussion --

2 THE COURT: Have you talked with Mr. Hurley about
3 that?

4 MS. WICKOUSKI: I haven't talked about that yet,
5 but that would be something that we'd plan to discuss.

6 THE COURT: Well, there is little that I know
7 about the issues about Fireblocks and StakeHound certainly
8 suggest to me that you -- that Celsius and StakeHound share
9 an interest in recovery. Whether you can get a recovery is
10 a different issue. But, you know, it's certainly sounded
11 like you shared an interest that would support a common
12 interest, agreement or something like that.

13 MS. WICKOUSKI: Yes. I mean, that's right. And
14 that is an action --

15 THE COURT: But that's something you'd have to
16 talk about with --

17 THE COURT: MS. WICKOUSKI: Yes. And that is an
18 action that benefits both parties so I think -- I hope I've
19 answered Your Honor's question with respect to service.

20 THE COURT: Just so we're clear. You're
21 unequivocally telling the Court that you are authorized to
22 accept service of the summons and complaint in the adversary
23 proceeding that Celsius filed. Is that correct?

24 MS. WICKOUSKI: Yes.

25 THE COURT: Okay. Go ahead. I just wanted -- I

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1 didn't want any ambiguity about what I'm being told.

2 MS. WICKOUSKI: And, Your Honor, I would ask for
3 clarification with respect to go forward with respect to a
4 scheduling order. You know, we would like -- you know, we
5 intend or we do want to proceed in the framework that Your
6 Honor outlined last week with respect to motion to compel
7 arbitration. It would be -- I mean, we should urge that
8 that's a threshold issue that should be decided,
9 particularly since I think the parameters of this is that
10 we're going to do a joint letter so that the Swiss
11 arbitration is no longer an immediate concern, but we'll
12 wait until the resolution of the arbitrability issue.

13 Yeah. I think --

14 THE COURT: Let me hear what Mr. Hurley's reaction
15 to that is. Mr. Hurley. Well, you cleared one hurdle.

16 MR. HURLEY: Thank you for the clarification. I
17 can cross number one off my list so I think that issue is
18 now crystal clear. I don't have much to add.

19 Only for, you know, the avoidance of any, you
20 know, conceivable misunderstanding, we don't necessarily
21 concede we're on the same side in terms of Fireblocks or
22 that it's Fireblocks' fault.

23 THE COURT: Well, you may say it's either --
24 either or both of their faults --

25 MR. HURLEY: Correct. Just wanted to make that

1 crystal clear.

2 THE COURT: I would assume that.

3 MR. HURLEY: In terms of confidentiality, we'll
4 certainly consider anything proposed. We haven't heard a
5 proposal. At this time, I'm not sure I completely follow
6 the logic of what was being suggested but we'll listen to
7 anything in good faith.

8 THE COURT: The one reaction I had to it was, you
9 try and work that out. It's something that I wanted to
10 delve into. Let's put it that way. I mean, there's certain
11 things that do need to be disclosed. I mean, that didn't
12 seem -- what the strategy about litigation in Israel is is
13 not one of them.

14 MR. HURLEY: And I guess finally just
15 housekeeping, Your Honor, in terms of when you'd like to
16 hear from us or see us again. I don't know if you had a
17 date in mind.

18 THE COURT: You know, if everything went smoothly
19 and you didn't need to see me again, that's fine. But if
20 you need to see me, you'll get to see me soon. You know,
21 you tell me.

22 MR. HURLEY: All right. And I guess in the
23 meantime -- my understanding anyway is that we do have the
24 assurance required that there won't be dissipation at least
25 until we come back to the Court while we try to work out the

1 stipulation.

2 THE COURT: Can you put some parameters around
3 dissipation? You know, it strikes me unreasonable to say,
4 StakeHound can't transfer a dollar until we work out the
5 remaining details, but you ought to -- maybe the two of you
6 ought to step out in the hall and see whether you can just
7 work out some very preliminary parameter that's going to
8 cover for a relatively short time until you can try and work
9 out something in more depth. Is that --

10 MS. WICKOUSKI: Yes, Your Honor. I --

11 THE COURT: Go ahead -- you have to -- just
12 identify yourself so we have a clear record.

13 MS. WICKOUSKI: This is, for the record, Stephanie
14 Wickouski again. At the risk of sounding too parochial and
15 it's not just about me. But it's very hard for me as
16 counsel to agree that a client shouldn't pay any of their
17 lawyers their July legal bills. So I think that, you know,
18 an overall thing that --

19 THE COURT: Could you just -- do me a favor. The
20 two of you go out, see if you can work out some short-term
21 agreement. Look, you don't want to have egg on your face.
22 I don't want to have egg on my face. I don't want to find
23 out that in the next week they transferred millions of
24 dollars --

25 MS. WICKOUSKI: Understood. Understood.

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1 THE COURT: Okay? And I'm not -- when I use the
2 millions, I'm not saying that that's the parameter. But you
3 understand? I don't think you want to find yourself in the
4 position -- sometimes lawyers find themselves in the
5 position where clients do things that -- totally unexpected
6 to the lawyer.

7 MS. WICKOUSKI: Understood. Understood, Your
8 Honor.

9 THE COURT: Okay.

10 MS. WICKOUSKI: And it would be important to know
11 what time frame because this is something I have to take
12 back to our client and it's different if we're talking about
13 a week or if we're talking about a month so. I assume we're
14 talking about a week.

15 THE COURT: On which point?

16 MR. HURLEY: To try and work out the stipulation,
17 I think is -- correct? Is that right, Ms. Wickouski?

18 MS. WICKOUSKI: Yes, that's what I thought we were
19 --

20 THE COURT: I would say a week and not a month.
21 You know, sometimes a week, sometime -- very rarely a week
22 will stretch into two weeks because you got to communicate
23 with a client outside the United States. But what I have in
24 mind is the -- kind of the -- I would expect at the minimum
25 a status letter within a week to find out where things are,

1 you know, so you -- are you -- have you reached an
2 agreement, are you close to reaching an agreement.

3 MR. HURLEY: And it's really with that period of
4 time in mind, Your Honor, that I thought it might be
5 reasonable just to have, you know, the assurance -- blanket
6 --

7 THE COURT: Why don't you go out and talk to each
8 other. The rest of us will spin our wheels while you're
9 doing that, okay?

10 AUTOMATED VOICE: Recording stopped.

11 CLERK: All right. I'm going back on the record,
12 Judge.

13 AUTOMATED VOICE: Recording in progress.

14 THE COURT: Go ahead.

15 MR. HURLEY: Mitch Hurley again. Thanks for the
16 break. I really just came in to tell you that it looks
17 probably there's going to have to be some communication
18 directly with StakeHound so maybe it makes sense
19 (indiscernible) for the -- I don't know how long it would be
20 -- doable that -- so you guys aren't just sitting here
21 waiting for us. It's going to take a little longer than we
22 had thought.

23 THE COURT: Yeah. Go ahead. Just identify
24 yourself.

25 MS. WICKOUSKI: Your Honor, I apologize. Stephanie

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1 Wickouski for the record. I apologize, Your Honor, for the
2 delay.

3 THE COURT: No. That's not something you have to
4 apologize (indiscernible).

5 MS. WICKOUSKI: And it's because I think -- I
6 understand the principle but there's some technical issues
7 that I want to make sure that I get the client's
8 authorization --

9 THE COURT: I agree completely. Let me look at my
10 -- just bear with me, okay? I used to have clients. Why
11 don't we have a three o'clock tomorrow Zoom hearing, okay?
12 Does that work for you, Ms. Wickouski?

13 MS. WICKOUSKI: Yes, Your Honor.

14 THE COURT: All right. Mr. Hurley?

15 MR. HURLEY: Yes. And, Your Honor, this is just
16 to report back on --

17 THE COURT: Yes.

18 MR. HURLEY: Yeah. That would work very well.
19 Thank you.

20 THE COURT: We'll do it. So I have
21 (indiscernible) matters in the morning and then I have one
22 short one at four o'clock so if we do a three o'clock, we're
23 -- is that okay? Three o'clock?

24 MR. HURLEY: Three o'clock works. Thank you.

25 THE COURT: Okay. Deanna will send you the link

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1 for Zoom. Okay? All right. I hope you can get this -- you
2 know, I don't think you can everything done but at least get
3 it passed. All right. So you're authorized. Mr. Hurley,
4 you're authorized to serve the summons and complaint on
5 StakeHound by serving Ms. Wickouski by email. Is that
6 correct, Ms. Wickouski?

7 MS. WICKOUSKI: Yes, Your Honor.

8 THE COURT: Okay. And let's see where we go from
9 that. Okay?

10 MR. HURLEY: Thank you, Your Honor.

11 THE COURT: All right. We're adjourned. Thank
12 you very much.

13 (Whereupon these proceedings were concluded at
14 2:32 PM)

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1 C E R T I F I C A T I O N

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3 I, Sonya Ledanski Hyde, certified that the foregoing
4 transcript is a true and accurate record of the proceedings.

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Sonya M. Ledanski Hyde

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8 Sonya Ledanski Hyde

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25 Date: August 9, 2023